

## SETTLEMENT AGREEMENT

**THIS SETTLEMENT AGREEMENT** (the “Agreement”) is made and entered into between Delyn McKenzie-Lopez, Erica Lieschke and Antoine Willis (collectively, “Plaintiffs”), individually and in their representative capacity on behalf of the classes and sub-classes defined below, and the City of Chicago (the “City” or “Defendant”). Plaintiffs and the City are sometimes individually referred to herein as a “Party” and collectively as the “Parties.”

### I. RECITALS

**WHEREAS**, on March 23, 2015, Plaintiffs Delyn McKenzie-Lopez and Erica Lieschke filed a class action lawsuit against the City in the Circuit Court of Cook County, Illinois, Chancery Division, presently entitled *McKenzie-Lopez, et al. v. City of Chicago*, Case No. 15 CH 4802 (the “*McKenzie-Lopez* Lawsuit”), alleging, among other things, that the City violated the Municipal Code of Chicago (the “MCC”) by not issuing a second notice of violation to motorists accused of automated speed enforcement (“ASE”) and automated traffic law enforcement (“ATL”) violations and, thus, prematurely issuing determinations of liability, and prematurely assessing late payment penalties only 21 days after a liability determination instead of 25 days as provided under the MCC;

**WHEREAS**, in May of 2015, the City changed its procedures so that it no longer issued determinations of liability earlier than 21 days from the notice of violation;

**WHEREAS**, in May of 2015, the City changed its procedures so that it no longer assessed late penalties under a 21-day schedule and instead began imposing late payment penalties 25 days after determinations of liability are issued and remain unpaid;

**WHEREAS**, on February 19, 2016, the Court entered an order denying the City’s motion to dismiss Plaintiffs’ claims in the *McKenzie-Lopez* Lawsuit relating to the failure to issue second notices and the imposition of premature late payment penalties;

**WHEREAS**, on March 25, 2016, the Court denied the City’s motion to reconsider its denial of the City’s motion to dismiss;

**WHEREAS**, in September of 2016 the City Council passed the City of Chicago Automated Enforcement Violation Review and Refund Ordinance of 2016 (the “Review and Refund Ordinance”), which authorized new administrative adjudications of alleged ASE and ATL violations that were subject to the *McKenzie-Lopez* Lawsuit, as well as an opportunity for certain Class Members to receive a refund of the late payment penalty that they were assessed;

**WHEREAS**, on November 1, 2016, Plaintiffs filed a class action lawsuit against the City in the Circuit Court of Cook County, Illinois, Chancery Division, presently entitled *Willis, et al. v. City of Chicago*, Case No. 16 CH 14304 (the “*Willis* Lawsuit” and, collectively with the *McKenzie-Lopez* Lawsuit, the “Lawsuits”), which challenges the legality and constitutionality of the Review and Refund Ordinance;

**WHEREAS**, on November 2, 2016, the Court certified the *McKenzie-Lopez* Lawsuit as a class action, designated Delyn McKenzie-Lopez and Erica Lieschke as the class representatives and appointed Myron M. Cherry and Jacie C. Zolna of Myron M. Cherry & Associates, LLC as class counsel (“Class Counsel”);

**WHEREAS**, the Parties have engaged in written discovery, exchanged document productions, conducted depositions and engaged in a substantial amount of other discovery;

**WHEREAS**, the Parties have conferred on numerous occasions over the past year in an effort to reach a settlement of this dispute;

**WHEREAS**, the terms and conditions of the settlement set forth herein were reached after extensive, *bona fide*, arm’s length negotiations among the Parties by their respective attorneys and other representatives;

**WHEREAS**, the Parties have investigated the facts and have analyzed the relevant legal issues with regard to the claims and defenses asserted in the Lawsuits. Based on these investigations, Plaintiffs believe the Lawsuits have merit while the City believes the Lawsuits have no merit and denies all liability. The Parties have also each looked at the uncertainties of trial and the benefits to be obtained under the proposed settlement, and have considered the costs, risks, and delays associated with the continued prosecution of this complex litigation, and the likely appeals of any rulings in favor of either Plaintiffs or the City. After undertaking this investigation and analysis, Class Counsel believes that it is in the best interest of Class Members to enter into this Agreement;

**NOW, THEREFORE**, in consideration of the representations, covenants and promises contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby confessed and acknowledged as evidenced by the execution of this Agreement, the Parties agree as follows:

## **II. CLASS RELIEF**

**1. Settlement Fund:** The City shall create a fund on behalf of Class Members in the amount of thirty-eight million seven-hundred fifty thousand dollars (\$38,750,000) (the “Settlement Fund”). The Settlement Fund shall consist of twenty-six million seven-hundred fifty thousand dollars (\$26,750,000) in cash and twelve million dollars (\$12,000,000) in the extinguishment of debt on amounts owed to the City by Class Members on alleged ASE and ATL violations that are the subject of the *McKenzie-Lopez* Lawsuit.

**2. Class Member Payments and Debt Extinguishment:**

**a.** Each Class Member who does not elect to be excluded pursuant to Paragraph 23 below shall be eligible under this Agreement for a cash payment of up to fifty percent (50%) of all fines, penalties and other amounts paid by or collected from said Class Member on alleged ASE or ATL violations that are the subject of the *McKenzie-Lopez* Lawsuit (the “Class Member Payment”).

**b.** Each Class Member who does not elect to be excluded pursuant to Paragraph 23 below shall be eligible under this Agreement for the extinguishment of up to fifty percent (50%) of all unpaid or uncollected fines, penalties and other amounts owed by said Class Member on alleged ASE or ATL violations that are the subject of the *McKenzie-Lopez* Lawsuit (the “Class Member Debt Extinguishment”).

**c.** The amounts refunded pursuant to this Paragraph 2 shall be paid from the cash portion of the Settlement Fund. To the extent the amount of Class Member Payments claimed under this Paragraph, plus the applicable amounts refunded under Paragraphs 3-4 below and the attorneys’ fees and costs awarded to Class Counsel, exceed \$26,750,000 in cash, the amount of Class Member Payments to each Class Member will be reduced on a pro rata basis so that the total amount paid by the City under this Paragraph, inclusive of the applicable amounts refunded under Paragraphs 3-4 below and the attorneys’ fees and costs awarded to Class Counsel, equals \$26,750,000 in cash. The amount of debt extinguished under this Paragraph 2 shall be taken from the debt portion of the Settlement Fund. To the extent the amount of Class Member Debt Extinguishment claimed under this Paragraph exceeds \$12,000,000, the amount of the Class Member Debt Extinguishment for each Class Member will be reduced on a pro rata basis so that the total amount of debt extinguished by the City under this Paragraph equals \$12,000,000.

**d.** In order to receive a Class Member Payment or Class Member Debt Extinguishment, a Class Member must complete the Claim Form or Hearing Option Claim Form sent with the Notice as described in Paragraphs 12.a and 12.b below, or submit a claim online at the website described in Paragraph 14 below. The deadline for Class Members to submit a claim for a Class Member Payment or Class Member Debt Extinguishment shall be fifty-six (56) days after the deadline for Notice to be sent pursuant to Paragraph 12 below. A claim shall be timely filed if postmarked or submitted online on or before the deadline for submission of claims.

**3. Opportunity for Full Refunds and/or Debt Extinguishment:**

**a.** This Settlement recognizes that certain Class Members have already requested hearings pursuant to the Review and Refund Ordinance. Class Members who have requested a hearing pursuant to the Review and Refund Ordinance, but who prefer to submit a claim for a Class Member Payment or Class Member Debt Extinguishment, may do so by submitting a claim in the manner specified in this Agreement in lieu of the requested hearing. If such a Class Member submits a claim for a Class Member Payment or Class Member Debt Extinguishment for a particular violation subject to the *McKenzie-Lopez* Lawsuit, the Class Member shall waive his or her right to a hearing pursuant to the Review and Refund ordinance. However, this waiver shall only apply to a hearing on the particular violation upon which the Class Member submits a claim and has previously requested a hearing. If a Class Member has previously requested a hearing under the Review and Refund Ordinance on a particular violation, but does not timely submit a claim for a Class Member Payment or Class Member Debt Extinguishment on that same

violation, the hearing on that violation for which a hearing was previously requested shall be scheduled and proceed without any further action by the Class Member.

**b.** For any Class Member who proceeds with a hearing under the Review and Refund Ordinance and prevails as to an alleged violation, the City shall give that Class Member a full refund of any amounts paid or collected on the alleged violation and/or extinguish all amounts owed on the alleged violation. Where a Class Member proceeds to a hearing, the City shall mail a copy of the administrative decision to the Class Member within seven (7) days of the entry of that decision. This Agreement explicitly contemplates that some Class Members are subject to multiple alleged violations and that they may seek a Class Member Payment or Class Member Extinguishment on one or more alleged violations while pursuing hearings under the Review and Refund Ordinance on other violations.

**c.** Other than as set forth in Paragraph 3.d. below, any amounts refunded to Class Members under this Paragraph 3 shall be paid from the cash portion of the Settlement Fund and shall be considered to determine whether pro rata shares for Class Member Payments and Class Member Debt Extinguishment are required under Paragraph 2.c. above. Any amount of debt extinguished under this Paragraph 3 will not count toward or come out of the Settlement Fund, but instead will constitute relief separate from and in addition to the Settlement Fund.

**d.** The administrative decisions on the hearings that take place pursuant to this Paragraph 3 shall be rendered within one hundred seventy-five (175) days after the deadline for Class Members to submit a claim for a Class Member Payment or Class Member Debt Extinguishment (the "Administrative Decision Deadline"). The distribution of refunds pursuant to this Paragraph that will be paid from the cash portion of the Settlement Fund shall be determined solely from, and be limited to, final administrative decisions that are rendered by the Administrative Decision Deadline. If any administrative or judicial review is taken from an administrative decision issued pursuant to this Paragraph, or if for any reason an administrative decision is not rendered by the Administrative Decision Deadline, the City shall be responsible for any refunds that may result from those hearings or proceedings separate from and in addition to the cash portion of the Settlement Fund (*i.e.*, any such refunds will not count toward or come out of the Settlement Fund).

**4. Refund of Late Payment Penalty:** A Late Payment Penalty Claim Form as described in Paragraph 12.c below shall also be sent with the Notice to any Class Member who on or after July 1, 2012 and up to and including May 31, 2015 paid an ASE or ATL fine within twenty-five (25) days of the determination of liability and was charged a late payment penalty that was paid or collected (the "Eligible Late Payment Penalty"). A Class Member who submits this claim, either by mail or online at the website described in Paragraph 14 below, shall be entitled to a refund of the entire amount of the Eligible Late Payment Penalty (the "Late Payment Penalty Refund"), which amount shall be paid from the cash portion of the Settlement Fund and shall be considered to determine whether pro rata shares for Class Member Payments are required under Paragraph 2.c. above. The deadline for Class Members to submit a claim for a Late Payment Penalty Refund shall be fifty-six (56) days after the deadline for Notice to be sent pursuant to Paragraph 12 below.

A claim shall be timely filed if postmarked or submitted online on or before the deadline for submission of claims.

**5. Additional Relief:**

**a. Review and Refund Ordinance:** The City agrees and acknowledges that the Review and Refund Ordinance was passed in response to the *McKenzie-Lopez* Lawsuit and that the benefits provided to Class Members under the Review and Refund Ordinance, including, but not limited to, being given another opportunity to contest their ASE and ATL violations and the total amount of all refunds issued and debt extinguished under the Review and Refund Ordinance, are directly attributable to the *McKenzie-Lopez* Lawsuit and the efforts of Class Counsel.

**b. No Immobilization or Impoundment, or Driver's License Suspension:** The City agrees that no Class Member's ASE or ATL violation that was subject to the *McKenzie-Lopez* Lawsuit will be used to determine whether a vehicle is eligible for immobilization or impoundment, or driver's license suspension.

**c. Debt Relief Program:** The City shall implement a debt relief program for Class Members who pay the fine for an ASE or ATL violation subject to the *McKenzie-Lopez* Lawsuit (including any amount of the fine remaining after a Class Member Debt Extinguishment pursuant to Paragraph 2 above) and apply for debt relief within thirty (30) days of the issuance of a confirmation of liability on the violation under the Review and Refund Ordinance, or within thirty (30) days of the final order disposing of any timely-filed action seeking administrative or judicial review of that confirmation of liability. For all such Class Members, the City shall: (i) waive all previously-assessed late payment penalties, interest, collection fees, and collection costs for that violation, and (ii) not seek civil or criminal prosecution against the Class Member for the failure to pay fines, interest, fees, costs or penalties for that violation. The debt extinguished under this Paragraph will not count toward or come out of the Settlement Fund, but instead will constitute relief separate from and in addition to the Settlement Fund.

**d. Additional Debt Extinguishment:** If the only debt owed by a Class Member for an ASE or ATL violation subject to the *McKenzie-Lopez* Lawsuit is for late payment penalties or collection fees, the City will forgive and extinguish such penalties or fees. The debt extinguished under this Paragraph will not count toward or come out of the Settlement Fund, even if such a Class Member also submits a claim for a Class Member Debt Extinguishment, but instead will constitute relief separate from and in addition to the Settlement Fund. For sake of clarity, if the only debt owed by a Class Member for an ASE or ATL violation subject to the *McKenzie-Lopez* Lawsuit is for a late payment penalty or collection fees and that Class Member submits a claim for a Class Member Debt Extinguishment on that violation, the extinguishment of the late payment penalty and collection fees on that violation will not count toward or come out of the Settlement Fund, but instead will be extinguished separate from and in addition to the Settlement Fund.

e. **Change In Notice and Late Payment Penalty Practices:** As referenced in Recitals, the City changed its notice and late payment penalty practices in May of 2015 to conform those practices with the MCC. The City agrees and acknowledges that these changes were made as a direct result of the *McKenzie-Lopez* Lawsuit and the efforts of Class Counsel. In addition to the relief set forth above, the City further acknowledges and agrees that it will follow the then current MCC ATL and ASE requirements in its continued enforcement of the ATL and ASE programs.

f. The City takes no position on the value of the benefits set forth in this Paragraph 5.

### III. FUNDING AND TIMING OF SETTLEMENT

6. **Timing of Class Member Payments and Late Payment Penalty Refunds:** The City shall begin mailing the Class Member Payments and Late Payment Penalty Refunds to Class Members within twenty-eight (28) days after the Final Settlement Date or within twenty-eight (28) days after the date by which Class Counsel is to receive the Hearing Report as described in Paragraph 19 below, whichever is later, and all such mailing shall be completed no later than forty-nine (49) days thereafter. The Final Settlement Date shall be the thirty-first (31<sup>st</sup>) day after the Court enters a final and appealable order and/or judgment approving this Agreement (the “Final Approval Order”), but only if there is no appeal taken from the Final Approval Order. If an appeal is taken from the Final Approval Order, the Final Settlement Date shall be the date on which a reviewing court either affirms the Final Approval Order or denies review and (i) all avenues of appeal and/or rehearing have been exhausted, or (ii) the time for seeking further appeals and/or a petition for rehearing has expired.

7. **Deadline for Class Members to Cash Checks for Class Member Payment and/or Late Payment Penalty Refund:** Class Members shall have sixty (60) days from the date a Class Member Payment and/or Late Payment Penalty Refund check is dated in which to cash or deposit the check. No later than one hundred and twenty (120) days after the last Class Member Payment and/or Late Payment Penalty Refund check is dated to Class Members, the City shall cancel all checks that remain un-negotiated and re-issue checks for Class Member Payments and/or Late Payment Penalty Refunds to all Class Members who did not negotiate their initial Class Member Payment and/or Late Payment Penalty Refund check. Such Class Members shall have sixty (60) days from the date those checks are dated in which to cash or deposit them. Class Members who do not cash or deposit the re-issued check within sixty (60) days shall be deemed to have waived their right to receive a Class Member Payment and/or Late Payment Penalty Refund. Any amount remaining from an uncashed or un-deposited check for a Class Member Payment and/or Late Payment Penalty Refund shall return to the City’s General Fund.

8. **Timing of Class Member Debt Extinguishment:** Within forty-two (42) days after the Final Settlement Date, the City shall extinguish and release all debt for which a valid claim was submitted for a Class Member Debt Extinguishment and take all steps necessary to ensure that all such debt extinguishment is communicated to any third-party responsible for collecting any such debt.

**9. Timing of Refunds and Debt Extinguishment From Successful Hearings:**

**a.** Except as provided in Paragraph 9.c. below, within forty-two (42) days after the date by which Class Counsel is to receive the Hearing Report as described in Paragraph 19 below, the City shall begin mailing to Class Members the refunds they are entitled to as a result of a successful contest pursuant to Paragraph 3 above, and all such mailing shall be completed no later than forty-nine (49) days thereafter. Class Members shall have sixty (60) days from the date a refund check under this Paragraph is dated in which to cash or deposit it. No later than one hundred and twenty (120) days after the last refund check under this Paragraph is dated, the City shall cancel all checks that remain un-cashed and un-deposited and shall re-issue checks for refunds under this Paragraph for Class Members who did not cash or deposit the initial check. Class Members shall have sixty (60) days from the date the re-issued checks are dated in which to cash or deposit them. Class Members who do not cash or deposit this reissued check within sixty (60) days shall be deemed to have waived their right to receive a refund check under this Paragraph. Any amount remaining from such an uncashed or undeposited check shall return to the City's General Fund.

**b.** Except as provided in Paragraph 9.c. below, within forty-two (42) days after the Administrative Decision Deadline, the City shall extinguish and release all debt that is subject to a successful contest pursuant to Paragraph 3 above and take all steps necessary to ensure that all such debt extinguishment is communicated to any third-party responsible for collecting any such debt.

**c.** If any administrative or judicial review is taken from an administrative decision issued pursuant to Paragraph 3.b above, or if for any reason an administrative decision is not rendered by the Administrative Decision Deadline, the City shall within forty-two (42) days after any administrative or judicial decision becomes final and all avenues for further review are exhausted, issue a refund to and/or extinguish the debt of Class Members who are successful at their hearing or administrative or judicial review. As set forth in Paragraph 3.d. above, the City shall be responsible for any refunds issued under this sub-Paragraph separate from and in addition to the cash portion of the Settlement Fund (*i.e.*, any such refunds will not count toward or come out of the Settlement Fund).

**10. No Offsets for Class Member Payments:** The City shall not withhold or otherwise offset from any Class Member Payment, Late Payment Penalty Refund or other amount refunded under this Agreement any other debts due and owing to the City or any other governmental body.

**IV. CLASS NOTICE AND SETTLEMENT ADMINISTRATION**

**11. Class Member Data:** Within twenty-one (21) days after entry of an order granting preliminary approval of this settlement (the "Preliminary Approval Order"), the City shall provide Class Counsel a report or other document, in electronic format, setting forth the names, addresses and other contact information for all Class Members and for each such Class Member the total amount of fines, penalties and other amounts the Class Member paid or that were otherwise

collected for each ASE or ATL violation subject to the *McKenzie-Lopez* Lawsuit and how much in fines, penalties and other amounts the Class Member owes on any ASE or ATL violation subject to the *McKenzie-Lopez* Lawsuit. This report or other document should also separately identify (i) those Class Members who requested a hearing pursuant to the Review and Refund Ordinance, the ASE or ATL violations for which they requested a hearing, as well as any other ASE or ATL violations they received that are subject to the *McKenzie-Lopez* Lawsuit and for which they did not request a hearing under the Review and Refund Ordinance, and (ii) those Class Members who are eligible for a Late Payment Penalty Refund and the amount(s) subject to such a refund.

**12. Class Notice:** The City shall obtain latest addresses for Class Members on file with the Illinois Secretary of State's Office. Within fifty-six (56) days after entry of the Preliminary Approval Order, the City shall mail notice of this settlement to the Class Members via First Class Mail at those addresses in the form attached hereto as **Exhibit 1** (the "Notice").

**a. Claim Form For Violations For Which No Review Hearing Was Requested:** In addition to the Notice, a claim form in the form attached hereto as **Exhibit 2** (the "Claim Form") shall be included with the Notice for all Class Members who did not previously request a hearing under the Review and Refund Ordinance on any of their eligible ASE or ATL violations, as well as a self-addressed return envelope for the submission of claims pursuant to Paragraph 2.d above.

**b. Claim Form For Violations For Which a Review Hearing Was Requested:** A claim form in the form attached hereto as **Exhibit 3** (the "Hearing Option Claim Form") shall be included with the Notice for all Class Members who previously requested a hearing under the Review and Refund Ordinance on any of their eligible ASE or ATL violations, as well as a self-addressed return envelope for the submission of claims pursuant to Paragraph 2.d above. The Hearing Option Claim Form shall list each violation for which the Class Member previously requested a hearing under the Review and Refund Ordinance (including the ticket number, plate number, location, date of violation, and violation code and description) and for each violation include a box or other method for Class Member to elect to submit a claim for that particular violation or proceed with the hearing. Violations that remain unchecked will move forward on the previously requested hearing. The submission of the Hearing Option Claim Form shall also serve as a valid claim for a Class Member Payment and/or Class Member Debt Extinguishment on all other ASE or ATL violations the Class Member received that are subject to the *McKenzie-Lopez* Lawsuit and for which the Class Member did not request a hearing under the Review and Refund Ordinance. If the Hearing Option Claim Form is not submitted, either by mail or online, then the Class Member shall be entitled to move forward on the hearing(s) on all ASE and ATL violations for which the Class Member previously requested a hearing under the Review and Refund Ordinance. Depending on whether or not Class Members previously requested a hearing under the Review and Refund Ordinance on any of their eligible ASE or ATL violations, they will receive either the Claim Form or the Hearing Option Claim Form, but not both.

**c. Claim Form For Late Payment Penalty Refund:** For those Class Members described in Paragraph 4 above, an additional claim form in the form attached

hereto as **Exhibit 4** (the “Late Payment Penalty Claim Form”) shall also be included with the Notice.

**13. Follow Up Mailings:** For any Notice as described in Paragraph 12 that is returned to the City without forwarding address information, the City shall conduct a single address search using Accurant to attempt to locate a new address for the Class Member. If such a search produces an updated address, the City shall update that Class Member’s address for purposes of administering this settlement and re-mail the Notice and applicable claim form(s) to the updated address.

**14. Settlement Administration Website:** Within twenty-one (21) days after entry of the Preliminary Approval Order, the City shall develop and activate a website that will generally describe the nature of the Lawsuits and provide a general outline of the terms of the proposed settlement. The website shall also post a copy of the operative complaints in both Lawsuits, the Notice and this Agreement and shall be designed and constructed to electronically accept claims from Class Members for a Class Member Payment or Class Member Debt Extinguishment, as well as to accept claims for Late Payment Penalty Refunds.

**15. Cost of Settlement Administration:** Separate from and in addition to the Settlement Fund, the City shall pay all settlement administration fees and costs, including but not limited to, those for: (i) preparing, mailing and monitoring all necessary notices and related documents; (ii) developing, maintaining and operating a website specifically created for the settlement of the Lawsuits and the submission of claims; (iii) communicating with and responding to Class Members; (iv) computing settlement payments and/or debt extinguishment for Class Members; (v) distributing payments to Class Members; (vi) postage costs, (vii) costs associated in locating Class Members and reissuing checks, (viii) fees and costs incurred for any vendors or other third parties in the administration of the settlement, and (ix) other fees and costs reasonably incurred in administering the settlement contemplated herein (collectively, the “Settlement Administration Costs”).

**16. Administration of Hearings:**

**a.** During the period of time Class Members have to submit a claim pursuant to Paragraph 2.d above, the City shall maintain a database identifying each Class Member who submitted a Hearing Option Claim Form electing to pursue a hearing on an ASE and/or ATL violation, as well as the identity of the specific ASE and/or ATL violation for which the Class Member elected to pursue a hearing. The City shall for each of the ASE and ATL violations for which a hearing was requested: (i) promptly schedule in-person hearings for the violations for which an in-person hearing was previously requested, and (ii) direct the Department of Administrative Hearings to promptly adjudicate the violations for which a correspondence hearing was previously requested. Twenty-eight (28) days after the deadline for Class Members to submit a claim for a Class Member Payment and/or Class Member Debt Extinguishment the City shall provide Class Counsel with a report setting forth all Class Members and violations for which a hearing is requested.

**b.** Within twenty-eight (28) days after the deadline for Class Members to submit a claim for a Class Member Payment and/or Class Member Debt Extinguishment, the City shall provide Class Counsel with a report setting forth the identity of all ASE and ATL violations (and the Class Member associated with those violations) on which a hearing was previously requested under the Review and Refund Ordinance, but on which the Class Member did not affirmatively submit a Hearing Option Claim Form electing to pursue the hearing and on which no claim was submitted for a Class Member Payment and/or Class Member Debt Extinguishment. For each of these violations, the City shall: (i) promptly schedule in-person hearings for the violations for which an in-person hearing was previously requested, and (ii) direct the Department of Administrative Hearings to promptly adjudicate the violations for which a correspondence hearing was previously requested.

**17. Class Member Report:** Within forty-five (45) days after the deadline for Class Members to submit a claim pursuant to Paragraph 2.d above, the City shall provide Class Counsel with a report setting forth the identity of all Class Members who validly and timely submitted a claim for a Class Member Payment and/or Class Member Debt Extinguishment and for each such Class Member: (i) the ASE and ATL violations for which the Class Member submitted a claim to receive a Class Member Payment and/or Class Member Debt Extinguishment, and (ii) the amount of the Class Member Payment and/or Class Member Debt Extinguishment that would be provided for each such violation prior to any proration (the “Class Member Report”). The Class Member Report shall also state the total amount of all Class Member Payments, as well as the total amount of all Class Member Debt Extinguishments.

**18. Late Payment Penalty Report:** Within forty-five (45) days after the deadline for Class Members to submit a claim for a Late Payment Penalty Refund pursuant to Paragraph 4 above, the City shall provide a report to Class Counsel setting forth the identity of all Class Members who validly and timely submitted a claim for a Late Payment Penalty Refund and the amount each such Class Member is entitled to receive for a Late Payment Penalty Refund (the “Late Payment Penalty Report”).

**19. Hearing Report From the City:** Within thirty-five (35) days after the Administrative Decision Deadline, the City shall provide a report to Class Counsel setting forth the identity of all Class Members for whom an administrative decision was entered in their favor on or before the Administrative Decision Deadline as a result of a hearing pursuant to Paragraph 3 above and for each such Class Member: (i) the ASE and ATL violations on which the Class Member received a favorable administrative decision, (ii) the total amount the Class Member is entitled to receive in refunds as a result of the favorable administrative decision(s), and (iii) the total amount of debt the Class Member is entitled to have extinguished as a result of the favorable administrative decision(s) (the “Hearing Report”). The Hearing Report shall also state how many total ASE and ATL violations were subject to hearing pursuant to Paragraph 3 above and with respect to those violations: (i) how many liability determinations were vacated, (ii) the total amount to be refunded, and (iii) the total amount of debt to be extinguished.

**20. Calculation of Prorated Payments:** If the amounts due to be refunded and/or extinguished as reflected in the Class Member Report, Late Payment Penalty Report and Hearing

Report show that proration of Class Member Payments and/or Class Member Debt Extinguishments will be necessary, the City and Class Counsel shall confer and within twenty-eight (28) days after Class Counsel receives the Hearing Report supplement the Class Member Report by calculating the actual amount of the Class Member Payment and/or Class Member Debt Extinguishment that will be provided to each Class Member after proration for each ASE and ATL violation for which a claim was submitted.

## V. INCENTIVE AWARDS AND CLASS COUNSEL'S FEES AND COSTS

**21. Named Plaintiffs' Incentive Award:** Separate from and in addition to the Settlement Fund, the City shall pay incentive awards in the amount of (i) fifteen thousand dollars (\$15,000) to Plaintiff Delyn McKenzie-Lopez, (ii) fifteen thousand dollars (\$15,000) to Plaintiff Erica Lieschke, and (iii) three thousand dollars (\$3,000) to Plaintiff Antoine Willis. Within fourteen (14) days after the Final Settlement Date, the City shall deliver to Class Counsel checks in the name of each of the named Plaintiffs in the amount of their respective incentive awards.

**22. Class Counsel's Attorneys' Fees and Costs:** Class Counsel shall be paid from the cash portion of the Settlement Fund an amount of eleven million seven-hundred fifty thousand dollars (\$11,750,000) for attorneys' fees, as well as an additional amount to be paid from the cash portion of the Settlement Fund for actual costs, which Class Counsel currently estimates will be between eighteen thousand dollars (\$18,000) and thirty thousand dollars (\$30,000). Class Counsel shall file their motion or petition supporting their request for attorneys' fees and costs with the Court no later than twenty-one (21) days prior to the deadline for Class Members to object to the settlement as set forth below. The City will not oppose this motion or petition. Within fourteen (14) days after the Final Approval Hearing, the City will transfer the attorneys' fees and costs approved by the Court for Class Counsel from the Settlement Fund into a separate, interest-bearing account. The attorneys' fees and costs awarded to Class Counsel shall be disbursed from the interest-bearing account to Class Counsel within seven (7) days after the Final Settlement Date. If this settlement is declared invalid for any reason, including being rejected by a court of competent jurisdiction, the City shall have the right to reclaim the funds from the interest-bearing account and shall have no further obligation to maintain such account.

## VI. RIGHT TO OPT-OUT OR OBJECT

**23. Exclusion/Opt-Out Elections:** Class Members may elect not to be part of the Lawsuits and not to be bound by this Agreement (*i.e.*, "opt-out"). To make this election, Class Members must mail a written election to the City stating: (a) the name and case number of the Lawsuits: *McKenzie-Lopez, et al. v. City of Chicago*, Case No. 15 CH 4802 and *Willis, et al. v. City of Chicago*, Case No. 16 CH 14304; (b) the full name, address and telephone number of the Class Member electing exclusion; and (c) a statement that the Class Member elects to be excluded from the Lawsuits and elects not to participate in the settlement. Opt-out elections must be postmarked no later than fifty-six (56) days after the deadline for Notice to be sent pursuant to Paragraph 12 above.

**24. Objections.** Any Class Member who has not submitted a timely written exclusion pursuant to Paragraph 23 above and who wishes to object to the fairness, reasonableness or

adequacy of the proposed settlement or to the attorneys' fees and costs requested by Class Counsel or the requested incentive awards, must do so by filing a written objection with the Court no later than fifty-six (56) days after the deadline for Notice to be sent pursuant to Paragraph 12 above and serving a copy of the objection on Class Counsel and the City's counsel. It shall be the objector's responsibility to ensure timely receipt of any objection by the Court, Class Counsel and the City's counsel. To be considered by the Court, the objection must include: (a) the name and case number of the Lawsuits: *McKenzie-Lopez, et al. v. City of Chicago*, Case No. 15 CH 4802 and *Willis, et al. v. City of Chicago*, Case No. 16 CH 14304; (b) the Class Member's name, address and telephone number; (c) a statement of each objection and the relief that the Class Member is requesting; and (d) a statement of whether the Class Member intends to appear, either in person or through counsel, at the final approval hearing. Any Class Member who files and serves a written objection as described in this Paragraph has the option to appear at the final approval hearing, either in person or through personal counsel hired at the Class Member's expense to object to the fairness, reasonableness or adequacy of this Agreement and the proposed settlement or to the attorneys' fees and costs requested by Class Counsel or the requested incentive awards. However, Class Members or their attorneys intending to make an appearance at the final approval hearing must include a statement of intention to appear in the written objection filed with the Court and delivered to Class Counsel and the City's counsel, and only those Class Members who include such a statement may speak at the final approval hearing. If a Class Member makes an objection or appears at the final approval hearing through an attorney, the Class Member will be responsible for his or her personal attorney's fees and costs.

## VII. DISMISSAL AND RELEASE

**25. Dismissal:** In connection with the motion for final approval of the settlement, the Parties, through counsel, shall submit to the Court a proposed order granting final approval of the settlement and dismissal of the Lawsuits with prejudice. The Parties shall jointly agree on the contents of the proposed order. If the Parties are unable to jointly agree on the contents of a proposed order, then each Party may submit to the Court their own version of a proposed order. Nothing in the Paragraph prevents the Court from submitting a final approval order different than what was submitted to the Court by the Parties.

**26. Plaintiffs and Class Member Release:** Upon entry of the Final Approval Order, Plaintiffs and all Class Members who do not timely elect to opt out of the proposed settlement, and each of their respective successors, assigns, legatees, heirs and personal representatives release and forever discharge the City and each of its respective officers, employees, agents, representatives, attorneys, insurers, and all persons acting by, through, under or in concert with them, or any of them, from all manner of action, causes of action, claims, demands, rights, suits, obligations, debts, contracts, agreements, promises, liabilities, damages, charges, penalties, losses, costs, expenses, and attorneys' fees, of any nature whatsoever, known or unknown, in law or equity, fixed or contingent, which they have or may have arising out of the claims asserted in the Lawsuits or other claims based on the ATL and/or ASE violations covered by the Notice Class, Notice Sub-Class, Penalty Class, Penalty Sub-Class and the class certified in the *Willis* Lawsuit referenced in Paragraph 27 below.

## VIII. MISCELLANEOUS PROVISIONS

**27. Definition of Classes and Sub-Classes:** Prior to or contemporaneously with seeking preliminary approval of the settlement, Plaintiffs shall move the Court to revise the definitions of the certified classes and sub-classes as follows:

All individuals or entities to whom the City of Chicago issued a determination of liability on an alleged automated speed enforcement or automated traffic law enforcement system violation before any request was made for an adjudication by mail or for an administrative hearing or where no such request was made (the “Notice Class”). The Notice Class is limited to alleged automated speed enforcement or automated traffic law enforcement system violations that were issued on or after March 23, 2010 and prior to May 17, 2015.

All individuals or entities from whom the City of Chicago received payment, either directly or indirectly, toward any fines or penalties in connection with a determination of liability on an alleged automated speed enforcement or automated traffic law enforcement system violation that was issued before any request was made for an adjudication by mail or for an administrative hearing or where no such request was made (the “Notice Sub-Class”). The Notice Sub-Class is limited to alleged automated speed enforcement or automated traffic law enforcement system violations that were issued on or after March 23, 2010 and prior to May 17, 2015.

All individuals or entities to whom the City of Chicago assessed a late penalty prior to the expiration of the 25-day grace period commencing after a determination of liability on an alleged automated speed enforcement or automated traffic law enforcement system violation (the “Penalty Class”). The Penalty Class is limited to late penalties assessed from July 1, 2012 to May 9, 2015.

All individuals or entities from whom the City of Chicago received payment, either directly or indirectly, toward late penalties assessed prior to the expiration of the 25-day grace period commencing after a determination of liability on an alleged automated speed enforcement or automated traffic law enforcement system violation (the “Penalty Sub-Class”). The Penalty Sub-Class is limited to late penalties assessed from July 1, 2012 to May 9, 2015.

Any individual meeting the definition of any of these classes and/or sub-classes, as well as the class in the *Willis* Lawsuit referenced in Paragraph 28 below, shall be referred to herein as a “Class Member” and, collectively, as the “Class” or “Class Members.”

**28. Class Certification of the Willis Lawsuit:** Prior to or contemporaneously with seeking preliminary approval of the settlement, Plaintiffs shall request for purposes of effectuating the terms of this Agreement the Court to grant their pending motion for class certification in the *Willis* Lawsuit as a settlement class and to define the class under the same definition as the Notice Class set forth in Paragraph 27 above. The City will not oppose this request.

**29. Consolidation:** The Parties may, but are not required to, move the Court to consolidate the *Willis* Lawsuit with the *McKenzie-Lopez* Lawsuit for purposes of administering this settlement. Consolidation is in no way mandatory or a prerequisite to the enforceability of this Agreement.

**30. Final Approval Hearing:** Contemporaneously with the motion for preliminary approval of the settlement of the Lawsuits, the Parties shall request that the Court schedule a final approval hearing no earlier than forty-nine (49) days after the deadline for Class Members to opt-out or object as set forth in Paragraphs 23-24 above. No later than fourteen (14) days prior to the final approval hearing, Plaintiffs shall file a motion for final approval of the settlement. Plaintiffs shall include with this motion a list of all Class Members who validly and timely excluded themselves pursuant to Paragraph 23 above.

**31. City Council Approval:** This Agreement is subject to the approval of the City Council.

**32. Excess Funds:** To the extent the amount of cash payments claimed under Paragraph 2 above, plus the amounts refunded under Paragraphs 3 and 4 above and the attorneys' fees and costs awarded to Class Counsel, is less than \$26,750,000 in cash, any remaining difference shall revert to the City's General Fund upon the conclusion of all of its obligations under this Agreement.

**33. Status of Lawsuit If Settlement Is Not Approved:** This Agreement is being entered into for settlement purposes only. If the Court conditions the Preliminary Approval Order or the Final Approval Order on any modifications of this Agreement (other than modifications to the time periods and dates described herein) that are not acceptable to all Parties, if the Court does not approve this Agreement or enter the Final Approval Order, or if the Final Settlement Date does not occur for any reason, then this Agreement will be deemed null and void *ab initio* and the Court, following a further conference with the Parties, will establish a schedule for the continuation of the Lawsuits.

**34. Right to Set Aside Settlement.** The City of Chicago shall have the right to set aside or rescind this Agreement, in the good faith exercise of its discretion, if more than ten percent (10%) of the Class Members opt out of the settlement. In order to exercise this right, the City must inform Class Counsel of its decision to set aside the settlement in writing within twenty-one (21) days after the deadline for Class Members to opt out of the settlement. In the event the City exercises its discretion to set aside the settlement, this Agreement and all negotiations, proceedings, documents prepared, and statements made in connection with this settlement and this Agreement shall have been made without prejudice to the Parties, shall not be deemed or construed to be an admission or confession by any Party of any fact, matter, or proposition of law, and shall not be used in any manner for any purpose. All Parties shall stand in the same position as if this Agreement had not been negotiated, made, or filed with the Court. In such event, the Parties to the Lawsuits shall move the Court to vacate any and all orders entered by the Court pursuant to the provisions of this Agreement.

**35. Change of Time Periods:** All time periods and dates described in this Agreement are subject to the Court's approval and subject to modification. These time periods and dates may be changed by the Court or by the Parties' written agreement with or without notice to the Class as the Court may direct.

**36. Weekend and Holiday Deadlines:** If any deadline established by this Agreement falls on a weekend or court holiday, any such deadline shall be deemed to be extended to the next business day.

**37. Releases of Liens:** Class Counsel shall secure standard written releases of any and all liens, including any Attorney liens, asserted by Romanucci & Blandin, LLC and Myron M. Cherry & Associates, LLC no later than fourteen (14) days before the Final Approval Hearing. Class Counsel shall provide copies of all such written releases to the City and confirm satisfaction of this requirement no later than seven (7) days before the Final Approval Hearing.

**38. Binding on Successors:** This Agreement binds and benefits the Parties' respective successors, assigns, legatees, heirs, and personal representatives.

**39. Entire Agreement:** This Agreement and the attached exhibits contain the entire agreement between the Parties and constitute the complete, final and exclusive embodiment of their agreement with respect to the settlement of the Lawsuits. This Agreement and the attached exhibits supersede any and all prior agreements, arrangements or understandings, whether written or oral, express or implied, between them relating to the subject matter hereof. The Parties agree that there are no understandings, written, oral, express, implied or otherwise, except as set forth in this Agreement and the attached exhibits, and that in entering into this Agreement, no Party has relied, or is entitled to rely, upon any promise, inducement, representation, statement, assurance or expectation unless it is contained herein in writing.

**40. Exhibits:** The exhibits to this Agreement are integral parts of the Agreement and are incorporated into this Agreement as though fully set forth herein.

**41. Recitals:** The Recitals are incorporated by this reference and are part of this Agreement.

**42. Modifications and Amendments:** No amendment, change or modification to this Agreement will be valid unless in writing signed by the Parties or their counsel.

**43. Construction and Interpretation:** Neither the Parties nor any of the Parties' respective attorneys will be deemed the drafter of this Agreement for purposes of interpreting any provision in this Agreement. This Agreement has been, and must be construed to have been, drafted by all the Parties to it, so that any rule that construes ambiguities against the drafter will have no force or effect.

**44. Counterparts:** This Agreement may be executed in counterparts, each of which constitutes an original, but all of which together constitutes one and the same instrument. Several signature pages may be collected and annexed to one or more documents to form a complete

counterpart. Photocopies or PDF copies of executed copies of this Agreement shall be treated as originals.

**45. Waiver:** No delay on the part of either Party in the exercise of any right, power or remedy shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or remedy preclude the further exercise thereof, or the exercise of any other right, power or remedy.

**46. Governing Law:** This Agreement shall be governed and interpreted in accordance with the laws of the State of Illinois and without regard to conflict of laws principles.

**47. Attorneys' Fees and Costs:** Other than the payment of Class Counsel's attorneys' fees and costs in accordance with Paragraph 22 above, each Party shall bear their own attorneys' fees and costs relating in any way to the Lawsuits or this Agreement, or the subject matter of any of them.

**48. Settlement of Disputed Claims:** This Agreement reflects the Parties' compromise and settlement of disputed claims. The provisions of this Agreement, and all related drafts, communications and discussions, cannot be construed as or deemed to be evidence of an admission or concession of any point of fact or law by any Party. To the extent permitted by law, neither this Agreement, nor any of its terms or provisions, nor any of the negotiations or proceedings connected with it, shall be admissible as evidence in any pending or future civil, criminal or administrative action or proceeding to establish liability or admission by any Party, except in any proceeding brought to enforce this Agreement.

**49. Parties Represented by Counsel:** The Parties acknowledge that: (a) Plaintiffs have been represented by independent counsel of their own choosing and that Class Members have been represented by court-appointed Class Counsel during the negotiation and preparation of this Agreement, (b) the City has been represented by independent counsel of its own choosing, (c) they have read this Agreement and are fully aware of its contents, and (d) their respective counsel fully explained to them the Agreement and its legal effect. The Parties executed this Agreement voluntarily and without duress or undue influence.

**50. No Admission of Liability:** The City is entering into this Agreement in order to compromise and resolve disputed claims that it believes are of doubtful validity so as to avoid further litigation given the current posture of the case. The City, by entering into this Agreement, does not admit liability and, in fact, expressly denies liability.

**51. Authorization:** The Parties represent that they each have all necessary power and authority to enter into this Agreement and to carry out such Party's obligations hereunder. Each signatory below represents that he or she is fully entitled and duly authorized to enter into this Agreement on whose behalf he or she is signing.

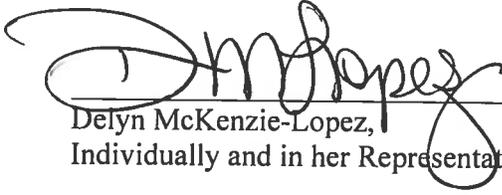
**52. Support and Cooperation to Obtain Court Approval and In Administering the Settlement:** The Parties agree to fully support this Agreement and to cooperate fully in producing information, executing any documents or taking any additional actions which are consistent with

and which may be necessary or appropriate to secure the Court's preliminary and final approval of this Agreement, or to effectuate the terms and administration of this settlement.

**The remainder of this page is intentionally left blank.**

Dated: July ~~22~~ 2017

**DELYN MCKENZIE-LOPEZ**



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Delyn McKenzie-Lopez,  
Individually and in her Representative Capacity

Dated: July \_\_, 2017

**ERICA LIESCHKE**

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Erica Lieschke,  
Individually and in her Representative Capacity

Dated: July \_\_, 2017

**ANTOINE WILLIS**

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Antoine Willis,  
Individually and in her Representative Capacity

Dated: July \_\_, 2017

**CLASS COUNSEL**

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Myron M. Cherry, as Class Counsel

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Jacie C. Zolna, as Class Counsel

Dated: July \_\_\_, 2017

**DELYN MCKENZIE-LOPEZ**

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Delyn McKenzie-Lopez,  
Individually and in her Representative Capacity

Dated: July 21, 2017

**ERICA LIESCHKE**

  
Erica Lieschke,  
Individually and in her Representative Capacity

Dated: July \_\_\_, 2017

**ANTOINE WILLIS**

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Antoine Willis,  
Individually and in her Representative Capacity

Dated: July \_\_\_, 2017

**CLASS COUNSEL**

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Myron M. Cherry, as Class Counsel

---

Jacie C. Zolna, as Class Counsel

Dated: July \_\_\_, 2017

**DELYN MCKENZIE-LOPEZ**

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Delyn McKenzie-Lopez,  
Individually and in her Representative Capacity

Dated: July \_\_\_, 2017

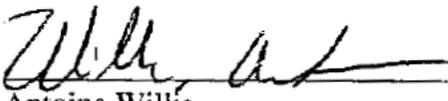
**ERICA LIESCHKE**

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Erica Lieschke,  
Individually and in her Representative Capacity

Dated: July 21, 2017

**ANTOINE WILLIS**



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Antoine Willis,  
Individually and in her Representative Capacity

Dated: July \_\_\_, 2017

**CLASS COUNSEL**

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Myron M. Cherry, as Class Counsel

---

Jacie C. Zolna, as Class Counsel

Dated: July \_\_\_, 2017

**DELYN MCKENZIE-LOPEZ**

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Delyn McKenzie-Lopez,  
Individually and in her Representative Capacity

Dated: July \_\_\_, 2017

**ERICA LIESCHKE**

---

Erica Lieschke,  
Individually and in her Representative Capacity

Dated: July \_\_\_, 2017

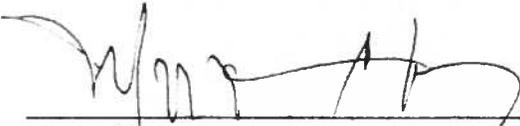
**ANTOINE WILLIS**

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Antoine Willis,  
Individually and in her Representative Capacity

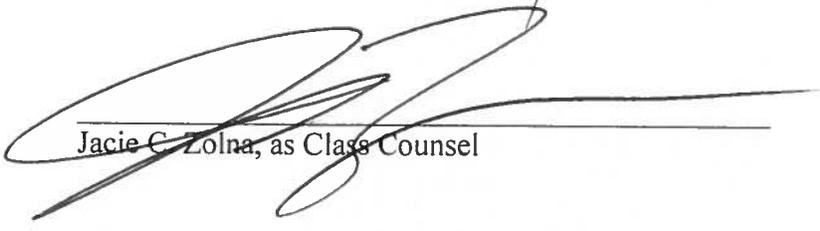
Dated: July 23, 2017

**CLASS COUNSEL**



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Myron M. Cherry, as Class Counsel



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Jacie C. Zolna, as Class Counsel

Dated: July 25, 2017

**THE CITY OF CHICAGO**



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By: Edward N. Siskel  
Corporation Counsel

# **Exhibit 1**

**IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS  
COUNTY DEPARTMENT, CHANCERY DIVISION**

<b>DELYN MCKENZIE-LOPEZ, <i>et al.</i>,</b>	)	
	)	<b>Case No. 15 CH 4802</b>
<b>Plaintiffs,</b>	)	
	)	<b>Hon. Pamela McLean Meyerson</b>
<b>v.</b>	)	<b>Calendar 11</b>
	)	
<b>CITY OF CHICAGO, a Municipal Corporation,</b>	)	
	)	
<b>Defendant.</b>	)	
<hr/>		
<b>ANTOINE WILLIS, <i>et al.</i>,</b>	)	
	)	<b>Case No. 16 CH 14304</b>
<b>Plaintiffs,</b>	)	
	)	<b>Hon. Pamela McLean Meyerson</b>
<b>v.</b>	)	<b>Calendar 11</b>
	)	
<b>CITY OF CHICAGO, a Municipal Corporation,</b>	)	
	)	
<b>Defendant.</b>	)	

PLEASE READ THIS NOTICE CAREFULLY. IT RELATES  
TO THE PROPOSED SETTLEMENT OF CLASS ACTIONS AND  
CONTAINS IMPORTANT INFORMATION ABOUT YOUR RIGHTS.

**You are eligible for a settlement payment and/or other relief if you sign and return the enclosed claim form(s) or if you submit a claim online at [\[INSERT WEBSITE ADDRESS\]](#).**

**I. What is this notice about?**

This Notice is being sent to notify you of two class action lawsuits against the City of Chicago (the “City”) relating to its operation and enforcement of its speed and red light camera program (the “Lawsuits”). On [\[insert date\]](#), 2017, the Court preliminarily approved a settlement of the Lawsuits. The purpose of this Notice is to inform you of the Lawsuits and the proposed settlement. In addition, this Notice will advise you of what to do if you want to remain a part of the Lawsuits, what to do if you want to exclude yourself from the Lawsuits and how joining or not joining the Lawsuits may affect your legal rights.

**II. What are the Lawsuits about?**

On March 23, 2015, a class action lawsuit was filed in the Circuit Court of Cook County, Illinois, presently entitled *McKenzie-Lopez, et al. v. City of Chicago*, Case No. 15 CH 4802 (the “*McKenzie-Lopez* Lawsuit”). The *McKenzie-Lopez* Lawsuit alleged that the City failed to provide motorists with the notice they were entitled to under the Municipal Code of Chicago (the “MCC”), unlawfully accelerated liability determinations and prematurely assessed late penalties in connection with alleged speed and red light camera violations. Among other things, the Lawsuit sought to void the fines, penalties and other amounts assessed in connection with these violations. The City denies the allegations and asserts that the violations, determinations of liability, fines and penalties, and the photographic and video evidence maintained by the City in support of its determinations of liability are valid.

On November 1, 2016, a class action lawsuit was filed in the Circuit Court of Cook County, Illinois, presently entitled *Willis, et al. v. City of Chicago*, Case No. 16 CH 14304 (the “*Willis* Lawsuit”). The *Willis* Lawsuit challenged the legality and constitutionality of the City of Chicago Automated Enforcement Violation Review and Refund Ordinance of 2016 (the “*Review and Refund Ordinance*”). The *Review and Refund Ordinance* was passed by the City Council in September of 2016 in response to the *McKenzie-Lopez* Lawsuit and authorized new administrative adjudications of alleged speed and red light camera violations that occurred from March 23, 2010 to May 17, 2015. The *Willis* Lawsuit alleged that the *Review and Refund Ordinance* was passed in an effort to give the City another chance to adjudicate liability and assess “new and separate” fines and penalties for alleged speed and red light camera violations challenged in the *McKenzie-Lopez* Lawsuit, which Plaintiffs allege is illegal under Illinois law and the Illinois Constitution. The City denies that the *Review and Refund Ordinance* is illegal or unconstitutional. It contends that offering motor vehicle owners an additional opportunity to contest violations subject to the *McKenzie-Lopez* Lawsuit is lawful, appropriate and provides motor vehicle owners the relief the *McKenzie-Lopez* Lawsuit seeks. The City believes that the *Review and Refund Ordinance* provides a defense, among others, to the *McKenzie-Lopez* Lawsuit.

### **III. What are the benefits of the proposed settlement?**

The City will create a fund in the amount of \$38,750,000 (the “*Settlement Fund*”). Class Members are eligible for a cash payment of up to fifty percent (50%) of all fines, penalties and other amounts paid or collected on an alleged speed or red light camera violation subject to the *McKenzie-Lopez* Lawsuit. Class Members are also eligible to extinguish up to fifty percent (50%) of all unpaid or uncollected fines, penalties and other amounts owed on an alleged speed or red light camera violation subject to the *McKenzie-Lopez* Lawsuit. To the extent the amount of cash payments claimed, plus any other amounts refunded under the second and third paragraph below and the attorneys’ fees and costs awarded to Class Counsel, exceeds \$26,750,000, the amount of the cash payments to each Class Member under this paragraph will be reduced on a pro rata basis so that the total amount paid in cash by the City will equal \$26,750,000. To the extent the amount of debt extinguishment claimed under this paragraph exceeds \$12,000,000, the amount of the debt extinguished for each Class Member under this paragraph will be reduced on pro rata basis so that the total amount of debt extinguished by the City will equal \$12,000,000.

If you previously requested a hearing under the *Review and Refund Ordinance*, you may still submit a claim for a 50% refund or debt extinguishment. However, you will waive your right to a hearing on any violation for which you submit a claim and for which you previously requested a hearing. If you do not submit a claim for a 50% refund or debt extinguishment on a violation, for which you previously requested a hearing, you are entitled to pursue the hearing on that particular violation and, if successful, shall be given a full refund of any amounts paid or collected on the violation and/or the entirety of any amount owed on the violation shall be extinguished. Any amounts refunded as a result of such a hearing shall be paid from the cash portion of the *Settlement Fund*. Any amount of debt extinguished as a result of such a hearing shall be extinguished separate from and in addition to the *Settlement Fund*.

Class Members who on or after July 1, 2012 and until May 31, 2015 paid a speed or red light camera fine within 25 days of the determination of liability and were charged a late payment penalty that was paid or collected are entitled to a full refund of that late payment penalty. Any such Late Payment Penalty Refunds refunded under this paragraph shall be paid from the cash portion of the *Settlement Fund*.

The proposed settlement provides for other relief, including changes the City made to its notice and late penalty practices to address the allegations raised in the *McKenzie-Lopez* Lawsuit. The City has also agreed that no Class Member’s speed or red light camera violation subject to the *McKenzie-Lopez* Lawsuit will be

considered for purposes of determining whether a vehicle is eligible for immobilization or impoundment, or driver's license suspension.

The City shall implement a debt relief program for Class Members who pay the fine for any speed or red light camera violation subject to the *McKenzie-Lopez* Lawsuit. Under this program, the City has agreed to waive all previously-assessed late payment penalties, interest, collection fees, and collection costs for any such violation. The amounts of these payments shall be extinguished separate from and in addition to the Settlement Fund. Additional notices will be sent out at a later date with further details of how to take advantage of this program.

If the only debt owed by a Class Member for a speed or red light camera violation subject to the *McKenzie-Lopez* Lawsuit is for late payment penalties or collection fees, the City will automatically waive such penalties or fees, which amounts shall be extinguished separate from and in addition to the Settlement Fund.

Separate from and in addition to the Settlement Fund, the City will also pay for all settlement administration fees and costs, as well as incentive awards of \$15,000 each to Plaintiff Delyn McKenzie-Lopez and Plaintiff Erica Lieschke and \$3,000 to Plaintiff Antoine Willis.

#### **IV. How do I receive a settlement payment or debt extinguishment?**

**In order to receive the payment or debt extinguishment described in this Notice you must sign the enclosed claim form and mail the form to the City, or you can submit your claim online through the settlement website at [insert website address], by the DUE DATE of [insert date].** A self-addressed envelope is provided with this notice that you can use to mail in your claim form.

Regardless of whether you mail the claim form or submit a claim online, **you must do so by the DUE DATE of [insert date]** to be eligible to receive a payment or debt extinguishment. Settlement payments and debt extinguishment will only be issued if the proposed settlement is granted final approval by the Court.

**Please note that not all speed and red light camera violations are eligible for refunds and/or debt extinguishment. Only those tickets covered by the Lawsuits as described in Section VIII below, and during the time period described therein, are eligible for refunds and/or debt extinguishment under this settlement.**

#### **V. How do I receive a refund of a late payment penalty?**

Only certain violations are eligible for a full refund of a late payment penalty as described in Section VIII. If you are eligible for a refund of the late payment penalty, a second claim form (entitled LATE PAYMENT PENALTY CLAIM FORM) will be enclosed herewith. **You must sign and mail that claim form to the City or submit your claim online through the settlement website at [insert website address], by the DUE DATE of [insert date]** to claim your refund. If the LATE PAYMENT PENALTY CLAIM FORM is not enclosed with this Notice, then you are not eligible for this benefit.

#### **VI. Why is there a proposed settlement?**

The Court has not decided in favor of either side in the Lawsuits. Plaintiffs and Class Counsel believe the claims have merit. The City does not. The City is settling to avoid the expense, inconvenience and inherent risk of litigation. Plaintiffs and Class Counsel believe that the proposed settlement is in the best interest of Class Members because it provides appropriate recovery and other relief now while avoiding the risk,

expense and delay of pursuing the case through trial and any appeals, including the possibility of no recovery for Class Members whatsoever.

#### **VII. What is a class action lawsuit?**

A class action lawsuit is a legal action in which one or more people represent a large group, or class, of people. The purpose of a class action lawsuit is to resolve at one time similar legal claims of the members of the group.

#### **VIII. Who is in the class?**

On November 2, 2016, the Court certified the *McKenzie-Lopez* Lawsuit as a class action. The classes and sub-classes, which have since been amended, are defined as follows:

All individuals or entities to whom the City of Chicago issued a determination of liability on an alleged automated speed enforcement or automated traffic law enforcement system violation before any request was made for an adjudication by mail or for an administrative hearing or where no such request was made (the “Notice Class”). The Notice Class is limited to alleged automated speed enforcement or automated traffic law enforcement system violations that were issued on or after March 23, 2010 and prior to May 17, 2015.

All individuals or entities from whom the City of Chicago received payment, either directly or indirectly, toward any fines or penalties in connection with a determination of liability on an alleged automated speed enforcement or automated traffic law enforcement system violation that was issued before any request was made for an adjudication by mail or for an administrative hearing or where no such request was made (the “Notice Sub-Class”). The Notice Sub-Class is limited to alleged automated speed enforcement or automated traffic law enforcement system violations that were issued on or after March 23, 2010 and prior to May 17, 2015.

All individuals or entities to whom the City of Chicago assessed a late penalty prior to the expiration of the 25-day grace period commencing after a determination of liability on an alleged automated speed enforcement or automated traffic law enforcement system violation (the “Penalty Class”). The Penalty Class is limited to late penalties assessed from July 1, 2012 to May 9, 2015.

All individuals or entities from whom the City of Chicago received payment, either directly or indirectly, toward late penalties assessed prior to the expiration of the 25-day grace period commencing after a determination of liability on an alleged automated speed enforcement or automated traffic law enforcement system violation (the “Penalty Sub-Class”). The Penalty Sub-Class is limited to late penalties assessed from July 1, 2012 to May 9, 2015.

On [insert date], 2017, the Court certified the *Willis* Lawsuit as a class action and defined the class as the same as the Notice Class set forth above. Any individual meeting the definition of any of these classes and/or sub-classes, as well as the class in the *Willis* Lawsuit, shall be referred to herein as a “Class Member” and, collectively, as the “Class” or “Class Members.”

## **IX. When and where is the final approval hearing?**

The final approval hearing has been set for [insert date and time] before the Honorable Pamela McLean Meyerson in Courtroom 2305 of the of the Richard J. Daley Center, 50 W. Washington St., Chicago, Illinois 60602. The Court will hear any comments from the parties or objections concerning the fairness of the proposed settlement at the final approval hearing, including the amount requested for attorneys' fees and costs or the requested incentive awards.

You **do not** need to attend the final approval hearing to remain a Class Member or to obtain any benefits under the proposed settlement. You or your own personal attorney may attend the hearing if you wish, at your own expense. You do not need to attend this hearing to have a properly filed and served written objection considered by the Court.

## **X. How can I exclude myself from the case and the settlement?**

Any Class Member has the right to be excluded from the case by written request. If you wish to be excluded from the case, you must mail a written request to the City stating that you want to be excluded from the class. All exclusion requests must include (a) the name and case number of the Lawsuits: *McKenzie-Lopez, et al. v. City of Chicago*, Case No. 15 CH 4802 and *Willis, et al. v. City of Chicago*, Case No. 16 CH 14304; (b) the full name, address and telephone number of the Class Member electing exclusion; and (c) a statement that the Class Member elects to be excluded from the Lawsuits and elects not to participate in the settlement. A Class Member's exclusion request must be must be postmarked no later than **the DUE DATE of [insert date]** and sent to the following address: [insert mailing address].

If you properly and timely elect to exclude yourself from the case, you will not have any rights as a Class Member pursuant to the proposed settlement, you will not be eligible to receive any monetary payment or debt extinguishment under the proposed settlement, you will not be bound by any further orders or the judgment entered in the Lawsuits and you will remain able to pursue any claims alleged in the Lawsuits against the City on your own and at your own expense and with your own counsel. If you proceed on an individual basis after excluding yourself from the Lawsuits you may receive more, or less, of a benefit than you would otherwise receive under this proposed settlement or no benefit at all.

If you do not exclude yourself from the case, you will be deemed to have consented to the Court's jurisdiction, and to have released the claims at issue against the City as explained below and will otherwise be bound by the proposed settlement.

## **XI. How can I object to the settlement?**

If you do not exclude yourself from the Lawsuits, you can comment in opposition to the settlement, including the amount requested for attorneys' fees and costs or the requested incentive awards, which is known as an objection, and you have the right to appear before the Court to express your opposition. Your written objection must be submitted in writing and filed with the Court by **the DUE DATE of [insert date]**. The address for the Clerk of the Court is: Richard J. Daley Center, 50 West Washington Street, 8<sup>th</sup> Floor, Chicago, Illinois 60602. You must also send copies of your written objection to the attorneys for the parties at the following addresses:

### **Class Counsel:**

Myron M. Cherry  
Jacie C. Zolna  
Myron M. Cherry & Associates, LLC

### **Counsel for the City:**

J. David Duffy  
Thompson Coburn LLP  
55 East Monroe Street, 37<sup>th</sup> Floor

30 North LaSalle Street, Suite 2300  
Chicago, Illinois 60602

Chicago, Illinois 60603

Andrew W. Worsack  
Andrew S. Mine  
City of Chicago, Department of Law  
30 N. LaSalle St., Suite 1230  
Chicago, Illinois 60602

To be valid and considered by the Court, any such written objection must include the following information: (a) the name and case number of the Lawsuits: *McKenzie-Lopez, et al. v. City of Chicago*, Case No. 15 CH 4802 and *Willis, et al. v. City of Chicago*, Case No. 16 CH 14304; (b) the Class Member's name, address and telephone number; (c) a statement of each objection and the relief that the Class Member is requesting; and (d) a statement of whether the Class Member intends to appear, either in person or through counsel, at the final approval hearing. Only Class Members who include a statement of intention to appear in the written objection filed with the Court and delivered to Class Counsel and the City's counsel may speak at the final approval hearing. You may, but need not, file and serve your objection through counsel of your choice and you may appear at the final approval hearing either in person or through personal counsel hired at your expense. If you make your objection or appearance at the final approval hearing through an attorney, you will be responsible for your personal attorney's fees and costs.

If you do not submit a written objection to the proposed settlement or the amount requested for attorneys' fees and costs or the requested incentive awards in accordance with the deadline and procedure set forth above, you will waive your right to be heard at the final approval hearing.

## **XII. What is the effect of final settlement approval?**

If the Court approves the proposed settlement after the final approval hearing, it will enter a judgment dismissing the lawsuit with prejudice and releasing all claims as described in the next paragraph. If you do not exclude yourself from the case, the proposed settlement will be your sole mechanism for obtaining any relief.

All Class Members who do not timely elect to opt out of the proposed settlement, and each of their respective successors, assigns, legatees, heirs and personal representatives release and forever discharge the City and each of its respective officers, employees, agents, representatives, attorneys, insurers, and all persons acting by, through, under or in concert with them, or any of them, from all manner of action, causes of action, claims, demands, rights, suits, obligations, debts, contracts, agreements, promises, liabilities, damages, charges, penalties, losses, costs, expenses, and attorneys' fees, of any nature whatsoever, known or unknown, in law or equity, fixed or contingent, which they have or may have arising out of the claims asserted in the Lawsuits or other claims based on the ATL and/or ASE violations covered by the Notice Class, Notice Sub-Class, Penalty Class, Penalty Sub-Class and the class certified in the *Willis* Lawsuit referenced in Section VIII above.

If the proposed settlement is not approved, the Lawsuits will proceed as if no settlement had been reached. There can be no assurance that if the settlement is not approved and the Lawsuits resume that Class Members will recover more than what is provided for under the proposed settlement or will recover anything at all.

## **XIII. Who are the lawyers for Plaintiffs and class members?**

The following lawyers ("Class Counsel") are serving as counsel for the Class:

Myron M. Cherry  
mcherry@cherry-law.com  
Jacie C. Zolna  
jzolna@cherry-law.com  
Myron M. Cherry & Associates, LLC  
30 North LaSalle Street, Suite 2300  
Chicago, Illinois 60602  
(312) 372-2100 (telephone)  
(312) 853-0279 (facsimile)

From the beginning of the case to the present, Class Counsel has not received any payment for their services in prosecuting the Lawsuits or in obtaining this proposed settlement, nor have they been reimbursed for any out-of-pocket costs they have incurred. Class Counsel will apply to the Court for an award of attorneys' fees in the amount of no more than 30.32% of the Settlement Fund, as well as an additional amount for actual costs, which Class Counsel currently estimates will be between \$18,000-\$30,000. If the Court approves Class Counsel's petition for fees and costs, it will be paid from the cash portion of the Settlement Fund. Class Members will not have to pay anything toward the fees or costs of Class Counsel. You do not need to hire your own lawyer because Class Counsel is working on your behalf and will seek final approval of the settlement on behalf of the Class Members. You may hire your own lawyer to represent you in this case if you wish, but it will be at your own expense.

**XIV. Where can I get more information about the Lawsuit?**

This notice provides only a summary of the Lawsuits. More information can be found at [insert website address]. You may also examine the court file at the office of the Clerk of the Court on the 8<sup>th</sup> Floor of the Richard J. Daley Center, 50 West Washington Street, Chicago, Illinois 60602.

**PLEASE DO NOT CONTACT THE COURT (INCLUDING  
THE CLERK OF THE COURT OR THE JUDGE) OR THE CITY  
WITH QUESTIONS ABOUT THE LAWSUITS**

Dated: [insert date of Notice]

BY ORDER OF THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS

# **Exhibit 2**

«Barcode»

[insert box for name/address change]

Claim#: «ClaimID»-«MailRec»

«First1» «Last1»

«CO»

«Addr2»

«Addr1»

«City», «St» «Zip»

«Country»

### CLAIM FORM

*McKenzie-Lopez, et al. v. City of Chicago*, Case No. 15 CH 4802  
*Willis, et al. v. City of Chicago*, Case No. 16 CH 14304  
Circuit Court of Cook County, Illinois, Chancery Division

**INSTRUCTIONS:** The following red light camera and automated speed enforcement violation(s) are eligible to receive the settlement payment and/or debt extinguishment described in the accompanying Notice:

[List each ASE and ATL violation that is eligible to receive a Class Member Payment and/or Class Member Debt Extinguishment (including the ticket number, plate number, location, date of violation, and violation code and description)].

In order to receive the settlement payment and/or debt extinguishment as described in the accompanying Notice, please note any address change above, sign below and return this claim form in the enclosed, self-addressed envelope or mail it to: [insert City address].

**Postage is not included.**

**To be eligible you MUST submit your claim no later than [insert date] by mailing this claim form as provided above or by submitting a claim online at [insert website address]. Failing to meet this claim deadline will result in you forfeiting your claim.**

By submitting a claim, you are acknowledging that you were issued a determination of liability for the above-listed violation(s) and are therefore eligible to participate in this settlement.

Dated: \_\_\_\_\_

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

**Mail this claim form on or before [insert date].**

# **Exhibit 3**

«Barcode»

[insert box for name/address change]

Claim#: «ClaimID»-«MailRec»

«First1» «Last1»

«CO»

«Addr2»

«Addr1»

«City», «St» «Zip»

«Country»

### CLAIM FORM – HEARING OPTION

*McKenzie-Lopez, et al. v. City of Chicago*, Case No. 15 CH 4802

*Willis, et al. v. City of Chicago*, Case No. 16 CH 14304

Circuit Court of Cook County, Illinois, Chancery Division

**INSTRUCTIONS:** The following red light camera and automated speed enforcement violation(s) are eligible to receive the settlement payment and/or debt extinguishment described in the accompanying Notice. Those violations that are listed with a box next to them are violations for which you previously requested a hearing pursuant to the City of Chicago Automated Enforcement Violation Review and Refund Ordinance of 2016. As described in the accompanying Notice, for those violations, you have the option to cancel the hearing request(s) you previously made and instead submit a claim to receive a settlement payment and/or debt extinguishment. To exercise this option and receive a settlement payment and/or debt extinguishment for those violations, mark the box corresponding to the violation(s) for each hearing request you wish to cancel:

[List each ASE and ATL violation that is eligible to receive a Class Member Payment and/or Class Member Debt Extinguishment (including the ticket number, plate number, location, date of violation, and violation code and description). For each violation for which the Class Member previously requested a hearing under the Review and Refund Ordinance, include a box for Class Member to elect to submit a claim for that particular violation or proceed with the hearing. Violations that remain unchecked will move forward on the previously requested hearing.]

**Please note:** By marking a box above you are waiving your right to contest the corresponding violation at a hearing. If you do not submit a claim (by returning this claim form or submitting a claim online), you will forfeit your eligibility to participate in the settlement payment and/or debt extinguishment for any of the violations listed above, the hearing you previously requested will be scheduled, and at that hearing you will have the opportunity to contest only those violation(s) that are listed above with a box next to them.

**To receive your settlement payment and/or debt extinguishment, you must submit your claim no later than [insert date] by mailing this claim form to the City or by submitting a claim online at [insert website address].** Please note any address change above, sign below and return this claim form in the enclosed, self-addressed envelope or mail it to: [insert City address].

**Postage is not included.**

By submitting a claim, you are acknowledging that you were issued a determination of liability for the above-listed violation(s) and are therefore eligible to participate in this settlement.

Dated: \_\_\_\_\_ Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

**Mail this claim form on or before [insert date].**

# **Exhibit 4**

«Barcode»

[insert box for name/address change]

Claim#: «ClaimID»-«MailRec»

«First1» «Last1»

«CO»

«Addr2»

«Addr1»

«City», «St» «Zip»

«Country»

**LATE PAYMENT PENALTY CLAIM FORM**

*McKenzie-Lopez, et al. v. City of Chicago*, Case No. 15 CH 4802

*Willis, et al. v. City of Chicago*, Case No. 16 CH 14304

Circuit Court of Cook County, Illinois, Chancery Division

**INSTRUCTIONS:** The following red light camera and automated speed enforcement violation(s) are eligible to receive a refund for a late payment penalty as described in the accompanying Notice:

[List each ASE and ATL violation that is eligible to receive a Late Payment Penalty Claim (including the ticket number, plate number, location, date of violation, and violation code and description)].

In order to receive this late payment penalty refund as described in the accompanying Notice, please note any address change above, sign below and return this claim form in the enclosed, self-addressed envelope or mail it to: [insert City address].

**Postage is not included.**

**To be eligible you MUST submit your claim no later than [insert date] by mailing this claim form as provided above or by submitting a claim online at [insert website address]. Failing to meet this claim deadline will result in you forfeiting your claim.**

By submitting a claim, you are acknowledging that you were issued a determination of liability and late payment penalty, which was paid, for the above-listed violation(s) and are therefore eligible to participate in this settlement.

Dated: \_\_\_\_\_

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

**Mail this claim form on or before [insert date].**